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INNOVATION AS AN EXPANSION STRATEGY TO THE AFRICAN CONTINENT:  
THE CASE OF SUMOL+COMPAL IN ANGOLA

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## **ABSTRACT**

This study will present several expansion strategies to Angola that will help SUMOL+COMPAL growing in dimension and operational profit. Given the delicate economic situation that Angola currently faces, the solutions presented will help overcoming such difficulties. These were formulated using qualitative methods (interviews) and a documentary analysis. This thesis firstly explored a contextualizing approach, followed by some practical cases and concluding with the five recommendations: Nutrient Water, Múcua Juice, Isotonic Drinks, Exportation of Drinks to Congo and Agricultural Process. The implications of these solutions were described by a board member as excellent contributes for the company.

**KEY WORDS:** Angola; Innovation; Strategy; SUMOL+COMPAL.

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## GLOSSARY:

DRI – Daily Recommended Intake

FDI – Foreign Direct Investment

FMCG – Fast Moving Consumer Goods

S+C – SUMOL + COMPAL

SADC – Southern Africa Development Community

## **1. INTRODUCTION**

This thesis was developed based on an internship made at SUMOL+COMPAL, a Portuguese company present in the non-alcoholic beverage industry. This internship took place in the Procurement department, a section of the company responsible for negotiating all the materials that are crucial to the company's activity. The goal of the Procurement team is to get the optimal value of goods considering criteria such as price and quality, helping the company to evolve, given that it acts as a support area to the whole company. The Procurement department is intrinsically connected with Angola and Mozambique and has been supporting with a greater focus all the operations in those countries (SUMOL+COMPAL 2017). Also, the last substantial investment of the company was made in Angola (Folha 8 2018), thus making sense to generate possible solutions that could improve both the profitability and return on investment of S+C. These recommendations will use as main resource a component that is crucial for success: Innovation. In a market as dynamic as the FMCG market is, innovation is the most powerful resource that a company like SUMOL+COMPAL can use. Before developing solutions, it is crucial to objectively define the problem as well as the structure and status of S+C. The company's international expansion was also analyzed, beginning by Mozambique, Francophone Africa and afterwards, with further detail, Angola. This contemplated the economic and social status in this country, current situation of the non-alcoholic beverage market (in terms of concentration, competition in the several market segments of non-alcoholic beverages (nectars, water and carbonated drinks)) and insights on the local consumer behavior. For this purpose, several interviews with relevant directors of S+C were performed (Appendix 1). Some case studies were analyzed to retrieve practical conclusions and understand how the company proceeded while confronted with adversities, what went well and what lessons were learned so that the final recommendations are more accurate.

## **2. INNOVATION: DEFINITIONS & TYPES**

Li Keqiang, the current Premier of the State Council of the People's Republic of China, stated:

“Changes call for innovation, and innovation leads to progress” (Ministry of Foreign Affairs of People’s Republic of China 2013). The concept of innovation is gaining increasing relevance nowadays. The Merriam-Webster dictionary defines innovation as the introduction of something new such as an idea or method (Merriam Dictionary 2018). In a business scenario, innovation is seen as the full process of solving an existing need, allowing for the creation of value (Business Dictionary 2018). Innovation can be classified into several types. In this Work Project, the types considered will conjugate two dimensions: the degree in which the problem is defined and how well the market is known given the domain skills of the company. Thus, four types of innovation can be found (Appendix 2):

- Disruptive Innovation: Characterized by a strong domain of skills but with the problem not clearly defined.
- Breakthrough Innovation: Applied when the problem is clearly defined but domain skills are unclear. It consists in applying different domains in terms of skills and technology, and applying them into that problem. Usually, it requires some adjustment to fit the needs of the new market.
- Sustaining Innovation: Characterized by applying existing technology or skills in an existing market as an attempt to get better in something that is already being done. This is the most usual type of innovation as it uses current technology to offer the customer a product with higher value.
- Basic Research Innovation: Characterized by undefined skills in a new market and with the problem not completely defined.

### **3. SUMOL+COMPAL - COMPANY DESCRIPTION AND CURRENT STATUS**

#### **3.1 SUMMARY**

SUMOL+COMPAL leads the non-alcoholic beverage market in Portugal. The company resulted from the merger of Sumolis and Compal, in 2009, maintaining Sumol and Compal as the two main brands of the company. However, other brands exist in their portfolio such as Um Bongo, B!, Frize, Água Serra da Estrela. Also, the company represents in Portugal brands such as Pepsi, 7Up, Guaraná, Gatorade, Tagus and Estrella Damm (Appendix 3). S+C is present in more than 70 countries and, due to their expansion strategy, has been growing stably. An example of such is the fact that since the merger in 2009, until 2016, business value outside Portugal has increased more than 90%. Currently, the company has four industrial units in Portugal (Almeirim, Pombal, Vila Flor and Gouveia), and two other abroad: in Angola (Bom Jesus, near Luanda) and in Mozambique (Boane, near Maputo). S+C main goals are described in their “Winning Aspiration” (Appendix 4) and include being a worldwide known company in fruit and vegetable beverages and leading the same market in Portugal, Angola, Mozambique and Francophone Africa.

#### **3.2 INNOVATION**

Innovation is crucial for any company and S+C is no exception. The company states that “Innovation is a part of the company’s genetic code” (SUMOL+COMPAL 2017, 24) and makes an annual strong investment in it as it can act as differentiating criteria against competition and enhance the value of S+C brands, favoring the creation of a stronger relation with the target customers and, by consequence, higher customer loyalty. An example of a successful innovation was the *Compal Essencial* that has captivated users throughout the world given the latest trend on healthy snacking.

#### **3.3 ECONOMIC STATUS**

The operating profit increased steadily since 2013 until 2016, reaching values of 35 million Euros in that year (Appendix 5). In 2017, there was a slight decrease with a lower operating profit (of

approximately 31 million Euros) justified mainly by the lack of foreign currency in Angola. The value of the operating profit depends on the net sales of the company, making sense to go through them. In the Portuguese market, net sales are increasing, with more than 250 million Euros in 2017 (Appendix 6). For the international markets, it presented the same tendency as the operating profit, reaching its peak in 2016 (Appendix 7). The value for 2017 was of 97 million Euros, which stands for 40% of the sales made in Portugal. This indicator alone confirms the strategy that S+C is following regarding exports. The overall sales in 2017 were of 356.1 million Euros. For these exports to increase and continue to gain increasing relevance in the company's activity, it is required to identify the circumstances of the markets which are intended to be explored. Through that, the company can better understand how to penetrate the market successfully and what strategy should be used. Also, an analysis on the status of SUMOL+COMPAL in the African continent is required to understand how the brand is perceived in that continent.

## **4. INTERNATIONALIZATION**

### **4.1 EXPANSION STRATEGY TO AFRICA**

Africa was always seen by SUMOL+COMPAL as a continent with tremendous potential (Dinheiro Vivo 2015). According to Marques, L. (Appendix 1), the company began exploring that continent through exporting to countries that were Portuguese colonies in the past such as Mozambique, Angola, Cape Verde, Guinea, São Tome and Principe. Morocco was also explored given the geographic proximity to Portugal. Angola and Mozambique revealed as the most promising markets in terms of product consumption and with a relevant population size. For that reason, they were explored with further detail, culminating with the development of a factory. Regarding the remaining ancient Portuguese colonies, the company became leader of Nectars in Cape Verde, being this the country with the highest consumption per capita of Compal in Africa. Besides, São Tome and Principe also became the country with the highest consumption per capita

of Sumol in Africa. Despite this, these two countries have small dimensions in terms of population and therefore, not worth the investment of developing a factory there. Thus, three major steps were given so that S+C could increase its presence in the African continent. These consisted in exploring Mozambique, scouting countries belonging to Francophone Africa and investing in Angola. The cases of Mozambique and Francophone Africa will be analyzed briefly whereas the expansion process onto Angola will be seen with further detail.

#### **4.1.1 MOZAMBIQUE**

Mozambique was always an appealing market given the geographic proximity with countries of great interest to S+C. It acted as the entry point to the SADC market (Appendix 8). The countries in this community are very profitable markets and rich in raw materials that could later on be imported to Portugal. From this community, South Africa stood out as it is the most profitable market in the non-alcoholic drinks sector. In fact, it is the most profitable market of the entire African continent. To penetrate it, drinks would be produced in Mozambique and sent to South Africa. Thus, an initial investment of 8 million Euros was made in Maputo. These funds were used to purchase an existing factory and renew it. As the market in South Africa is extremely regulated, the factory was modified with the implementation of the latest technologies to fulfill such requirements (Business at Speed 2013). The factory currently has two filling lines that result in the annual production of almost 7 million liters of juice. This new factory allowed the company to produce soft drinks and nectars not only to Mozambique but also to several other countries including South Africa. After some effort, SUMOL+COMPAL was able to enter in South Africa, 6 years after the company began producing in Mozambique. The distribution of products that were fully produced in Mozambique occurred through the Pick'n'Pay stores, the second biggest retail company in South Africa (Sapo24 2017).



Regarding the Mozambican market, the goal of the company is clear: define a way for the product to reach the final consumer in a country where 90% of market is done through non-organized commerce. In order to do so, S+C placed their products on the shelves of supermarkets and restaurants but also in peddlers spread throughout the city (SUMOL+COMPAL 2018, 26). The link between these producers and the final customer is often made by some distributors, given the lack of large established distribution networks. Thus, some distributors act as wholesalers or retailers (Apex Brasil 2017, 33). One other difficulty is to offer products with the quality standards that the market demands there. For that reason, the company uses the same procedures and the same raw materials as in Portugal. However, industries that could exploit the production of these raw materials were not developed and, given the lack of raw materials, there was a dependence of materials coming from abroad. Besides water, all the ingredients to produce beverages are imported. Thus, nowadays, all the fruit is purchased abroad but in a few years, it is expected that local raw materials are incorporated in the production of juices.

The non-alcoholic beverage industry in Mozambique is small in terms of production volume (Publico 2016). The beverage market is mainly supplied by foreign producers, with a major portion coming from South Africa. It is a highly-concentrated market as there is no domestic competition for Coca Cola, that leads the industry with 87% of total sales.

#### **4.1.2 FRANCOPHONE AFRICA**

In 2015, the group Castel purchased 49.9% of SUMOL+COMPAL which allowed the company to expand into new markets within Africa (Jornal de Negocios 2015). Castel is a French group that has been developing throughout time a strong presence in Africa (Appendix 9), mainly in the Francophone part (Appendix 10). The company has subsidiaries in 16 countries and is present in more than 20 just in Africa. This allowed S+C to fortify their presence in such countries, easing its expansion process in the entire African continent and enabling S+C to enter in these markets.

From those countries, market studies were made in countries that seemed the most promising such as Gabon, Senegal, Cameroon, Argelia, Ivory Coast and Ethiopia. Using several criteria such as purchase power, population, possibility of differentiation against competition, among others, Cameroon, Gabon and Ivory Coast were seen as ideal for an initial expansion. An example of success in these countries is the launch of the local production of Sumol in Gabon, in a partnership with the group Sobraga. It has been so successful that the sales projections for the whole year were surpassed in the first month of activity (SUMOL+COMPAL 2018, 4).

The biggest difficulties relate with the usual barriers to entry, mainly the lack of access to distribution channels and problems with economies of scale. All the interviewed (Appendix 1) highlighted that one additional difficulty was facing all the brands that were already consolidated in the market, especially the ones that are national companies as they have higher knowledge on how the market operates.

#### **4.2 SUMOL + COMPAL IN ANGOLA**

Angola is the country that seemed more promising to expand to. Ramos, P (Appendix 1). states that Angola represented almost 30% of the overall billed amount when the entrance in that country was made, simply through the exportation of products. For that reason, it made sense to find a partner fully established in the country, such as Castel, that would co-pack S+C products and reduce costs for S+C. However, problems began to occur due to very high custom duties regarding the importation of raw materials - around 45% over the cost of the products sent (ExportGov 2017) - plus transportation costs which made impossible to offer competitive prices in the existing market. Also, given that almost all the products that Angola consumes are imported, the harbor became full quickly and therefore, containers were left months waiting for processing. For those reasons, the company decided to invest in a factory that would produce carbonated drinks and nectars in Angola. This factory belonged to Coca-Cola and was sold by

SUMOL+COMPAL's partner, Castel. It was requalified with three production lines: Aseptic Cardboard (TetraPak) in 0.2 and 1 liter and cans of 0.33 liters.

Through analyzing the most sold products by S+C in Angola, conclusions regarding the preferences of Angolans towards the products in the company's portfolio were taken (Appendix 11). The most consumed products all relate to sweet flavors, namely fruits, such as Mango or Pineapple. Also, there is a strong preference for the type of package used, Sleek Can, as it is resistant and has a more appealing design.

Unfortunately, according to Ramos, P (Appendix 1), the investment in Angola is taking time to be profitable because the company is currently suffering from the economic conjecture existing in the country, namely low income per capita, lack of foreign currency, and unavailability of raw materials. Also, such economic problems forced the company to reduce the investment in Angola as there were no Euros nor Dollars to trade Kwanzas for. The company also lost some of its brand power as several consumers began to prefer packages available at lower prices such as re-usable bottles of glass for carbonated drinks. All these issues will be explored with further detail later.

## **5. STATUS OF ANGOLA:**

### **5.1 ECONOMIC CONTEXT:**

As previously mentioned, the macroeconomic status of Angola is currently very fragile. The country's GDP's growth rate was negative in 2015 and 2016 (Appendix 12). Given that oil is the main pillar of the Angolan economy, the country is now trying to rebalance itself from the global oil crisis (Appendix 13), As a consequence of such, a lack of foreign currency within the country occurred, namely Euros and Dollars (Appendix 14). For this motive, it is currently impossible to extract such currencies from Angola. Thus, all the purchases need to be made in the local currency, Kwanza, in order to avoid additional investment by S+C and, by consequence, the

increasing risk of return on investment. This has been impacting FDI (Appendix 15) that has decreased significantly in the past two years (Observador 2018).

All these financial issues lead to serious problems in the supply of vegetables and fruits. Even though Angola has very good conditions to explore agriculture and fishing, given the civil war that occurred between 1975 and 2002, there is little to none production of such goods, thus making the country import 90% of their consumptions. Also, there is low viability for investments in this sector, given the lack of infrastructures, dependence of abroad materials and low level of productivity (Associação Portuguesa Nutrição 2017). Despite this, Angola possesses a large portfolio of other raw materials such as diamonds, iron, gold and leather. These have significant economic potential (Coface 2018).

## **5.2 SOCIO-CULTURAL CONTEXT:**

In 2017, Angola had a population of 29.7 million people (Appendix 16). The population has been constantly increasing due to two major factors: High Fertility Rate – average of 6 children per women – (Appendix 17) and Life Expectancy – almost 62 years - (Appendix 18) that is also increasing exponentially. Thus, the population of Angola is currently mostly young (Appendix 19). The median age is 15.3 years (IndexMundi 2018). The Gini Index is of 42.7 which means that there is high inequality in terms of distribution of wealth (Appendix 20).

Despite this, there is high unemployment (20%), even though the tendency is for this value to decrease (Trading Economics 2018), given that several programs that are being developed with strong emphasis on agriculture. A reason for this unemployment is the tremendous discrimination regarding women as usually only men get offered jobs. Regarding cross-cultural communication in Angola, the Hofstede Index can be used to understand how it occurs there (Appendix 21). Angola can be classified as a very hierarchical country (Power Distance of 83 points) as Angolans accept orders from superiors without contestation. It is not a very individualistic

society (Individualism of 18 points), with high loyalty values present and extreme attention given to relations with others and with their well-being. Besides this, Angolans are a Feminine society (Masculinity of 20 points) with conflicts solved through negotiation and compromise. Despite this, it exhibits signs of high Uncertainty Avoidance (60 points) as rigid codes of beliefs and behaviors are followed namely punctuality, precision, among others. It is important to stand out that, given this aspect, innovation may face resistance. Angolans show great respect for traditions and a strong focus on quick results (Long Term Orientation of 15 points). Finally, Angola is an indulgent country (Indulgence of 83 points) with people there having a tendency for optimism, positive attitudes and seeking to enjoy life and have fun. In addition to this, it is very important for them to follow their impulses. Regarding the recruitment of S+C in Angola, according to Mamede, A. (Appendix 1), the company began by recruiting expats or emigrants. Afterwards, employees already present in Angola but belonging to other companies within the same industry were targeted as well as some “undifferentiated” that Mamede, A. (Appendix 1), describes as people with no superior education but useful due to their soft skills or work index.

Lastly, it is a country with a delicate political situation. President João Lourenço is now leading the country and, even though several changes to reduce corruption were already implemented, the country still remains controlled by a small elite of people leaving the majority of the population with little to none intervention.

### **5.3 BEVERAGES MARKET ANALYSIS:**

The consumption of non-alcoholic beverages has been increasing exponentially as shown in Appendix 22. One relevant factor for this is that this market, in Angola, is conditioned by the high temperatures, that induce the consumption of these beverages (ReportLinker 2018). The most frequent distribution chain in this industry links all the elements from the producers to intermediaries and from those onto distribution channels. The distribution channels used are

supermarkets, hypermarkets, mini markets and *candongas*, an informal market type where products are sold in the street. According to Silva, L. (Appendix 1), only 20% of the total market volume passes through the direct methods whereas the remaining is done through *candongas*. This occurs as most Angolans consume drinks *on-the-go* and therefore, prefer options that can match their needs as it is the case of street sales. The most common street sale includes pedestrians with plastic bags filled with ice and beverages within, disposing them for cars passing by or for locals to quickly purchase and go (Appendix 23).

However, it is important to mention that, due to the lack of foreign currency and raw materials, market distortions occurred. This caused retailers to display products that they have available more often instead of those that are preferred by the customer. Thus, any company that has easiness in supplying the market, Angolan companies, for example, will have an advantage. One other differentiation criteria relates with marketing. Angolans are severely influenced by billboards, TV advertisements and other marketing campaigns. These are crucial for the increase of sales and for gaining market share in the non-alcoholic beverage market.

Finally, according to Mamede, A. (Appendix 1), the most used package material is returnable packaging as it is the cheapest for companies, which accounts for 50% of the preferences, PET bottles have 30% and the remaining is split between Aseptic Cardboard and Cans.

#### **5.4 COMPETITOR ANALYSIS**

Silva, L (Appendix 1) defined Coca Cola and Refriango as the two market leaders. Coca Cola has its factory in Luanda but is represented by the Castel group, that distributes their products (Appendix 24). The group Castel, besides distributing Coca Cola's products, is also present in the product segment of Beers, Energy Drinks and Spirit Drinks (Appendix 25). The biggest advantage is the broad range of flavors that it can offer as well as the strong marketing campaigns with very effective results (Grupo Castel 2018). Refriango is an Angolan company whose

products cover the market branches of soft carbonated drinks, nectars, sports drinks, wine and beer (Appendix 26). The company stands out due to their ability to place their products into the appropriate channels as they deeply know the market and how it operates. They carefully study it, developing a very distinct range of products, using typically African fruits and focusing on strong communication and marketing campaigns to present their product to the population. Besides, they are present in the industry since early on, being very easy for this company to connect with their target customers as they know their touch points (Refriango 2018). Besides these two, other two brands act as relevant competitors to S+C, in the bottled water segment even though water is not a segment that S+C gives priority to. Those are Aquacita, a company that is leader in this segment due to their very reasonable price and Purangol a company that also distributes water and is now entering in the soft drinks market (Apex Brasil 2017, 28) (Appendix 27). It is worth mentioning that tap water is not a competitor unlike the case in Portugal.

## **5.5 CONSUMER ANALYSIS**

In order to enter in any market successfully, there is the need to define our target customer. In this sector, main criteria should be flavor preferences and behavior. Angolans have a strong preference for sweet flavors and carbonated drinks. Casanova, A. (Appendix 1) adds that Angolans like drinks with strong colors. Also, they like to display brands as a sign of wealth and power. Despite this, they are becoming less attached to brands and focusing on purchasing products that offer the best cost-benefit relation. Besides, they are developing increasing care for their health and, therefore, are consuming drinks with less sugar and other alternatives instead such as Stevia. Bottom line, Angolans pay attention to price, sweetness and impact on health.

While conjugating Angolan preferences and S+C products, it is possible to understand how S+C products are placed in the preferences of Angolans. Regarding carbonated drinks, Appendix 28 displays the consumption of such in Angola. The most consumed carbonated drink is Coca-Cola.

It is relevant to mention that despite the supra mentioned difficulties, Sumol enters in the Top 5 of most consumed drinks in this segment. Regarding the water segment, Aquacita leads the preferences given their low prices, with Serra da Estrela having a low market share. Finally, regarding the nectar segment, Compal led the preferences for Angolans due to its flavor but, with the economic crisis, Angolans were forced to pursue cheaper options as it is Nutry and Tutti.

## **6. CASES:**

In this phase of the dissertation, three practical cases will be presented. These can illustrate different innovations or different situations that have already occurred in Angola, the feedback on such and the lessons learned from them.

### **6.1 COMPAL IN CAN**

The factory in Angola, when it was purchased, came with three production lines: Cans (0.33L) and Aseptic Cardboard (TetraPak) of 0.2 and 1 liter. In Portugal, these lines are used to pack Sumol (Cans) and Compal (TetraPak). Thus, this was replicated in Angola, an action that, in a market in which the most common distribution channel is via indirect methods (plastic bags with ice within) was not successful. Besides, the TetraPak packages would dissolve as they are made of Cardboard. This situation constrained the sales of Compal for S+C. When the team working in Angola faced this situation, they generated a set of possible solutions. While looking for alternatives they looked at the factory and noticed the existing production line for Cans. They wondered: “Why don’t we fill Compal in Cans? (Appendix 29). It would be an excellent idea considering the exploration of the indirect method given that the Can becomes cold quicker, is easier to transport within the plastic bag while being resistant and lightweight.”

The headquarters in Portugal were not fond of this idea as they believed that it would go against the identity of the Compal brand, that is a Premium brand. Thus, including Compal in a more informal packaging material as the Can, never used for premium goods, was seen as negative for



the company. There were some conflicts within S+C due to this but the decision to go forward was taken. The idea was very successful. In just 9 months 52 million cans were sold. Appendix 30 demonstrates the exponential increase in terms of number of liters sold with the change of packaging format, going from 1.750 liters to 3.500 liters in four months.

The boldness in this act reinforced the brand's presence through the informal distribution channels and, as a result, the company achieved massive growth, even though Angola was facing a state of crisis. This action proved that risking can open doors and find successful solutions that are right in front of us. Innovation is not always introducing something new but, instead, managing the options that are present in a different manner. The success of this idea led to an increasing bet in innovation allowing for the development of bolder ideas. This product can be classified as Sustaining Innovation given that it uses a packaging material that already existed, upgrading the product.

## **6.2 COMPAL DA TERRA**

As it was already mentioned before, in mid 2016, Luanda's harbor was completely full. Around the same time, the problem with foreign currencies began to occur, given the lack of Euros and Dollars to trade the Kwanzas for. This created a chaotic status in Angola with all the companies trying to retrieve money from the country. S+C had just open a factory there so it became a priority to invest strategically. Thus, it was required to find a solution that could use the local currency as it was very hard to be exchanged at the time. Besides, the solution had to contemplate using local resources given the impossibility to import any raw materials through the harbor. All of this led SUMOL+COMPAL into investing in local products. So, the company explored the fruits that existed in abundance in Angola as well as the preferences of the Angolans. As a result, the "Compal da Terra" was developed (Appendix 31). Launched in 2017, this juice was developed using as ingredients Sape Sape, Múcua, Mango and Banana (Appendix 32). For

Angolans to get to know the product, degustation activities were organized (Grande Consumo 2017), occurring in 50 selling points and in 10 daycares in Luanda (BWE. 2017). Appendix 33 demonstrates the exponential increase in terms of number of liters sold with this product, going from 1.500 liters to 4.000 liters in four months. Despite this, the country was unable to supply the required quantities of fruits to produce the demanded quantity of juice, due to the civil war that occurred. This situation created the need to import raw materials coming from other countries, near Angola namely Portugal (36,5% of total importation of fruits and vegetables), South Africa (16%), Brazil (7%), Turkey (5%) and India (4%) (WITS World Bank. 2015).

Finally, this product was also produced in Can (Appendix 34) besides TetraPak. Again, this innovation spiked the sales, going from 2.000 to 3.500 liters in four months (Appendix 35). The main lesson to take from this case is the fact that the best solution is often found in the simplest way. Through looking at common Angolan drinks and available raw materials an innovative product was reached to. Nevertheless, while betting on a product, future prospects should be taken into consideration and not only the current status. This did not occur in this case but S+C has learned its lesson. The company has recently launched in Angola a product called *Kissangua* (Appendix 36) based on a local drink that has the same name. In this situation, the company has already accounted for future needs of raw materials. This product can be classified as Sustaining Innovation because a defined problem emerged and it was solved with the existing set of skills.

### **6.3 SUMOL IN ANGOLA**

When S+C began producing in Angola in 2015, quickly it realized that Angolans had strong preferences for Sumol for its strong colour and sweet taste. Sumol was one of the most consumed brands and sales were high. Despite this, in a country that is still in development, purchase power of each habitant takes a major role in the purchases of its inhabitants. With the change of packaging material from Can vs Plastic (cheaper than Can 35%) and Glass (cheaper than Can

45%) (Appendix 37), SUMOL+COMPAL competitors were able to sell at lower prices. Progressively, the company began to lose market share (Appendix 38). While maintaining the Can as packaging material, they were surpassed. Between 2019 and 2020, Sumol will begin to be produced in PET and Glass bottles. Nevertheless, these packaging materials are being used by the competition since 2013/2014 which means that S+C did not consider this when they began producing. When it did, S+C took too long to act as almost 5 years had already passed. Bottom line, S+C was unable to predict the next trend that Angolans would follow. The company should take as a key lesson from this case the fact that the target consumer needs to be very well defined. Nevertheless, often you need to fail to be successful but, when a mistake is made, a company should take quick actions to solve it.

## **7. RECOMMENDATIONS**

Innovation, as it was explored before, can act as a solution to any problem that a company faces. For that reason, a set of possible solutions to enhance profitability are proposed here. These possible solutions can come as an innovative product or by introducing a new process or method that can enhance the efficiency of the company. While considering the entry of a new product in an existing market, several criteria should be considered, namely: consumer patterns, competition, type of package and flavour. It is worth highlighting that the following solutions are theoretical and therefore, were not tested. Thus, flavour combinations, may change with product development. Some possible solutions that allow the company to evolve and prosper in African countries come as following:

- **Nutrient Water:** Despite the progress made, several Angolans still fail to meet the minimum nutritional criteria for a healthy lifestyle. According to McDonald, Hyder and Cossa, Angolans prevalence of stunting is 37.6%, almost half of the Angolan population. Anemia also remains a public health concern and 87% of children with ages between 6-23 months do

not receive a minimum acceptable diet (European Commission 2017). The same study also showed that there were extreme mineral and vitamin deficits such as iron, iodine, protein, vitamin A and zinc. The lack of these nutrients contributes to a more unhealthy and diseased population. Most Angolans begin to be aware of these problems and try to follow a healthy diet, one that can fulfill such needs. Taking this into consideration, Nutrient Water could be developed. It is plain water with the addition of extra mineral, vitamins and proteins that could easily satisfy the DRI for Angolans (NIH 2011). Besides, flavors such as mango or pineapple, Angolans favorite tastes, would give the product an adequate taste. The format would be PET as it is the most consumed format for water in Angola. As it was already mentioned, most of the tap water is not appropriate for drinking (Publico 2017). Thus, the bottled water segment is extremely explored, leading Angolan companies present in this segment to implement a measure that limited the importation of water to avoid the penetration of foreign competition. This restriction limits the possibilities of success for Portuguese companies to sell water in Angola. Despite this, given that this product can also be classified in the sports drink segment, it may escape to such restriction. This product can be classified as Breakthrough Innovation given that it explores skills that S+C currently lacks but the problem is clearly defined: poor nutrition. This new segment can initially be small and not interesting enough for S+C but, through time, reveal itself as a promising bet. Thus, the development of this product in the nutritional drinks segment, within the market of non-alcoholic beverages, can increase revenues for the company and give the first mover advantage to S+C.

- **Mucua Juice:** In 2018, SUMOL+COMPAL made a major bet while launching a very consumed Angolan product: Kissangua. Múcua Juice is another traditional drink made by Angolans and one that is extremely consumed as well. It is made through placing Múcua (a

dry fruit with a mixed flavor of pineapple and melon – Appendix 39 - in boiling water and then let it cool down (Tearfund 2016) as it is drunk very cold. This juice has tremendous nutrients within such as antioxidants, iron, potassium, calcium and vitamins that can help with the nutritional needs of Angolans (Kivoloka, Flavio 2015). This product, besides being locally produced, is also explored by Refriango that produces Tutti Mucua (Appendix 40). Competition will be fierce (Jornal de Angola 2011) but S+C can extract advantage from the format as this juice is consumed very cold and Refriango distributes it in a PET format. The Can will present the juice colder and faster than the PET bottle. The limitation here will relate to the lack of Mucua, similarly to what happened with the *Compal da Terra* given the lack of available raw materials. This is highly likely to occur given the local competition exploring this product. Also, additional limitations may occur similar to the ones that Compal Kissangua might face and that are not yet known as the product was only launched a few weeks ago. As the basis of this product is the same as Kissangua – products that Angolans consume in their daily routine – the same limitations may be encountered for Múcua Juice. This product can be classified as Sustaining Innovation given that it is the replication of the same reasoning used to develop Kissangua.

- **Isotonic Drinks:** Nowadays, sport is gaining increasing importance given that it can provide positive contribution towards the development of a country (Darnel, Simon 2016). In Angola, it is no exception. This results in a higher consumption of sports drinks, a market that grew 7% between 2012 and 2015 and grew 12% from 2016 until 2018 with this growth rate expected to maintain in 2019 (Apex Brasil 2017, 39). Thus, it is a market segment ready to be explored. Refriango currently dominates it with their product *Pura Sport* (Appendix 41) (Rasgo 2012). S+C product would be presented in a PET bottle because they allow for an easier transportation and are cost effective. Flavor will depend of a conjugation between the

consumer's preferences and the chemical/nutritional formulation of the product. The main limitation is that S+C has never worked with products of this segment. One other can be the fact that the targeted segment, despite growing, is not yet big enough to invest on. This product can be classified as Breakthrough Innovation given that the problem is defined (need for isotonic drinks) but S+C is unfamiliar with the set of skills needed to develop this product.

- **Exportation of Drinks to Congo:** A similar strategy to the one pursued by the company in Mozambique with the expansion to South Africa can be followed here. From all the countries surrounding Angola (Appendix 42), it is pertinent to understand which are the most relevant markets to be explored. The most relevant criteria include population and consumption rate of non-alcoholic beverages. Thus, Appendix 43, exhibits the potential of these countries in a general manner but enough to understand if a country is worth the investment or not. It is worth highlighting that only countries where SUMOL+COMPAL is present were considered (Appendix 44) given that expanding into a new country would require a different approach. These criteria are relevant as a small population, below 10 million, or with a low consumption rate would not be worth the investment required to explore a country. The best option was Democratic Republic of Congo as it is the country with higher potential. It has a population of 85 million people (Worldometers 2018) and their consumption rate is of almost 14% (Euromonitor 2010). While considering this expansion as an option, the best approach is to explore the most consumed traditional drinks in Congo and conjugate them with the raw materials existing in Angola and that S+C has. The most consumed drinks in Democratic Congo are exhibited in Appendix 45. From that point, a crosscheck was made with the existing raw materials in Angola (Appendix 46). The most promising solutions include:
  - **Coconut Juice:** it is a mix of coconut, water and juice. All these ingredients are available in Angola. The possibility of success is high regarding this product;

- **Jus de Bissap:** made through a mix of hibiscus, water and pineapple juice. Pineapple is available in Angola but there is no specific information for the existence of hibiscus. The possibility of success is medium regarding this product;
- **Lotoko:** It is made from banana and one of the most consumed beverages. Nevertheless, it is an alcoholic beverage, outside the main market branches that S+C targets. Therefore, the possibility of success is low regarding this product;
- **Vitalo:** made from pomegranate juice. Pomegranate is available in Angola, but, despite that, there is already existing competition for this product in Democratic Congo. The possibility of success is medium regarding this product.

Limitations again relate to the lack of raw materials and to the lack of knowledge of the Congolese market. Besides, these would be new products inserted in the market and, therefore, reactions to such would have to be analyzed with detail. In addition to this lack of knowledge, the packaging material to be used would be determined later on, according to market standards. This product can be classified as Disruptive Innovation given that the same skills used in Angola would be replicated in Democratic Congo even though the problem in that country is not defined.

- **Agricultural Process:** One of the main problems that S+C currently faces is the lack of raw materials in Angola. In addition to this, due to the recent civil war, agriculture in Angola is still in an initial stage. For that reason, and giving that the factory has enough room for expansion, an investment could be made so that, in the medium-long term, raw materials are available. This would consist of planting several fruit trees of the fruits that the factory consumes the most. Angolans would be hired to develop this project and their salaries would be paid in Kwanzas to avoid currency issues. Salaries in Angola are low (Observador 2017), thus not forcing the company to make a high investment. S+C would also help reducing unemployment (Trading Economics 2018) and Angolans would be keen on working in this

sector, given that 30 % of Angolans work in agriculture (Diario de Noticias 2017) thus providing enough labor force to fulfill the project.

Finally, this measure would increase the well-being of the society. This could lead Angolans into developing preferences for S+C. This strategy would develop a conscious brand story that can separate S+C from the remaining competition (Forbes 2018). This aspect is consistent with the Hofstede Index classifying Angolans as non-individualistic and with high loyalty values. In this case, this loyalty could be transmitted in higher brand preferences. Finally, this decision will benefit both the society and the company, as more raw materials would be available. This is defined as Focus on Economic Responsibility (Bizfluent 2018).

This product can be classified as a Sustaining Innovation given that it is the replication of the same process that occurs in Portugal, applied in Angola, to correct an identified problem.

## 8. BOARD MEMBER OPINION

After the development of these recommendations, it seemed pertinent to get feedback from the board of SUMOL+COMPAL about them. Thus, they were proposed to António Casanova, the board member responsible for the management of SUMOL+COMPAL Angola. Given that Casanova currently lives on Angola and deals, on a daily basis, with the Angolan culture, population and habits, he was able to provide a more practical vision to these theoretical ideas. Thus, the feedback was the following:

- **Nutrient Water:** It was seen as a good suggestion, especially to children and elderly people. There would be easiness in accessing water as it is extracted from the river with pumps. Through enrichments with minerals and vitamins, this drink would help a population that struggles to eat meat and fish. Nevertheless, in order to be successful, it is required a proper



demonstration to Angolans for them to understand its benefits as well as a strong investment in marketing, given the several competitors in the bottled water market niche.

- **Múcua Juice:** A logical recommendation according to Casanova, that could be included in the *Compal da Terra* range. It is a product that has already been studied but not yet put on the market due to the crisis in Angola, that has limited the launch of new products. Besides, it is required to find a producer that turns Múcua into concentrated, in order to be produced in S+C factory.
- **Isotonic Drinks:** The least likely to occur from all these recommendations. Even though, the market segment is recognized as an evolving one, it is still rather small for a company such as S+C to invest in. As said before, beverages in this market niche would have a low consumption as these products are expensive for the consumer, which, taking into consideration the income per capita, would result in low sales for S+C.
- **Exportation of Drinks to Congo:** The idea was classified as possible despite facing several barriers similar to any export made from Angola. Those include high production costs that would make importing from Europe into Democratic Congo a cheaper option. This happens because there is no trading intra Africa, with exception of South Africa to the rest of the African countries. Also, Angola did not join to any free trade agreements, even within the SADC (ExportGov 2018). Thus, it would be difficult for S+C to enter in that market with competitive prices. Nevertheless, the Congolese market was already identified and is being followed. Proof of this is the fact that there are already some products from S+C there such as Sumol. Besides, the situation in Angola is changing under the direction of president João Lourenço and the country may enter in an economic agreement or ally itself with Democratic Congo (ExportGov 2018).

- **Agricultural Process:** This idea was classified as very interesting by Casanova. Nevertheless, SUMOL+COMPAL is not a fruit producer and, therefore, it lacks expertise in these processes. Besides, the factory would need to develop an additional area, able to receive and process fruit, that would require additional investment. Even though Angola lacks agricultural development, there are already two fully established fruit producers and with relevant dimension: Agrolider and Vendagirassol. Despite this, it is more profitable for these producers to sell fruit in local markets and export the leftovers instead of selling it to companies existing in Angola. Thus, this recommendation could work, in the long run. For that to occur, it would be required to firstly install a fruit processing area and only afterwards S+C could begin producing raw materials.

## CONCLUSION

Throughout this Work Project I was able to apply in a practical context most of the theory that I learned in my Masters. Besides, I learned some lessons about internationalization strategies with this case of SUMOL+COMPAL. Firstly, before any decision is made, one should always analyze with critical thinking and in detail all the characteristics of a market, identifying any opportunities that might be a cause for differentiation against competition or any opportunities that can create a new market segment. Secondly, think ahead. Arrange for the future instead of focusing only on the present. Seek to go beyond and innovate. The most common method of innovation is Sustaining, maybe because it is the easier for the human being to develop, as we are constantly looking for improvement. Besides, humans tend to be risk averse and avoid change. Nevertheless, it takes a different type of reasoning for other types of innovation, namely disruptive, to occur, with out of the box thoughts and ideas. Finally, innovation is something very simple and that can, at the same time, be extremely impactful. Most importantly, it is crucial for success.

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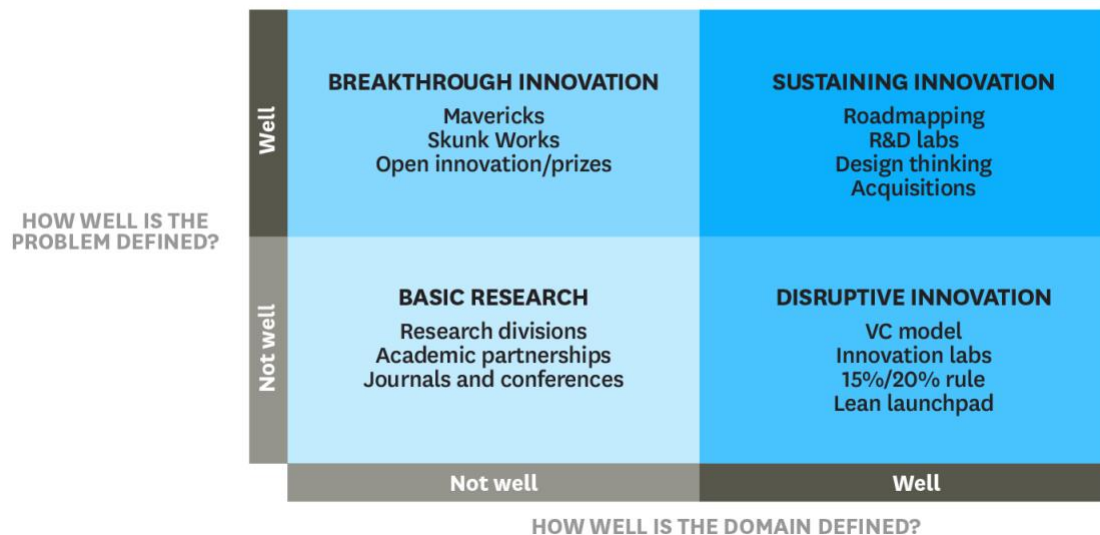
## APPENDICES

### Appendix 1. List of SUMOL+COMPAL Staff that were interviewed

| Person           | Position                                             |
|------------------|------------------------------------------------------|
| Alberto Mamede   | Industrial Director                                  |
| António Casanova | Administrator responsible for Angola's market        |
| José Gomes       | Procurement and Information Systems Director         |
| Luís Marques     | Exportation Markets Director                         |
| Luisa Silva      | Marketing Manager for International Markets (Angola) |
| Paulo Ramos      | Procurement Manager                                  |

### Appendix 2. The Different Types of Innovation covered in this Master Thesis

#### 4 Types of Innovation



Source: Harvard Business Review. 2017. 4 Types of Innovation and the problems they solve. Accessed August 15. <https://hbr.org/2017/06/the-4-types-of-innovation-and-the-problems-they-solve>

### Appendix 3. SUMOL+COMPAL Beverage Portfolio



Source: SUMOL+COMPAL Internal Information

### Appendix 4. SUMOL+COMPAL 5 Key Values



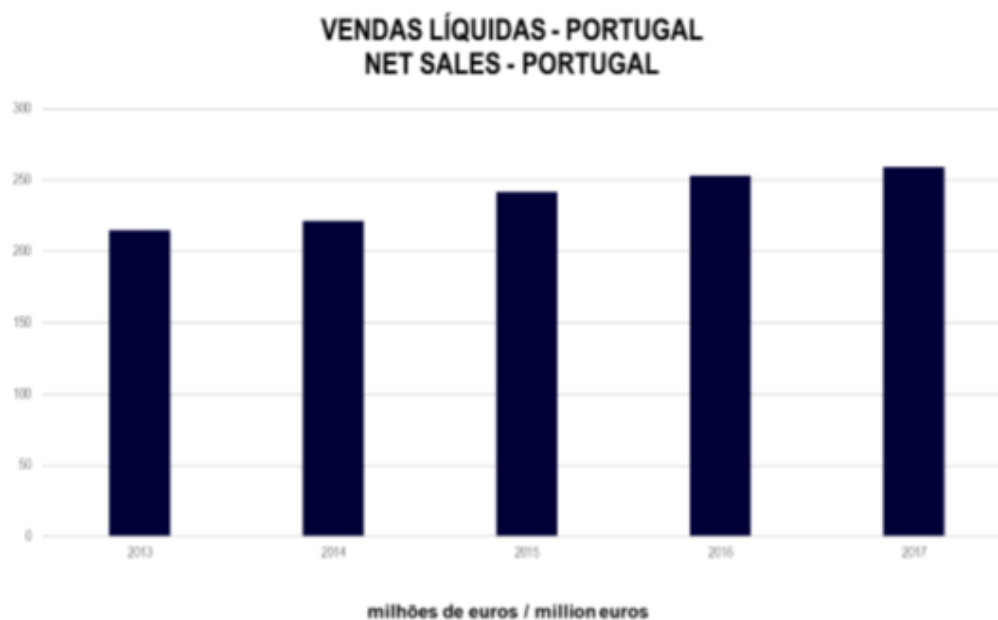
Source: SUMOL+COMPAL Single Integrated Report, 2017

## Appendix 5. SUMOL+COMPAL Operating Profit



Source: SUMOL+COMPAL Single Integrated Report, 2017

## Appendix 6. SUMOL+COMPAL Net Sales in Portugal



Source: SUMOL+COMPAL Single Integrated Report, 2017

## Appendix 7. SUMOL+COMPAL Net Sales in the International Markets



Source: SUMOL+COMPAL Single Integrated Report, 2017

## Appendix 8. Map of Countries belonging to SADC



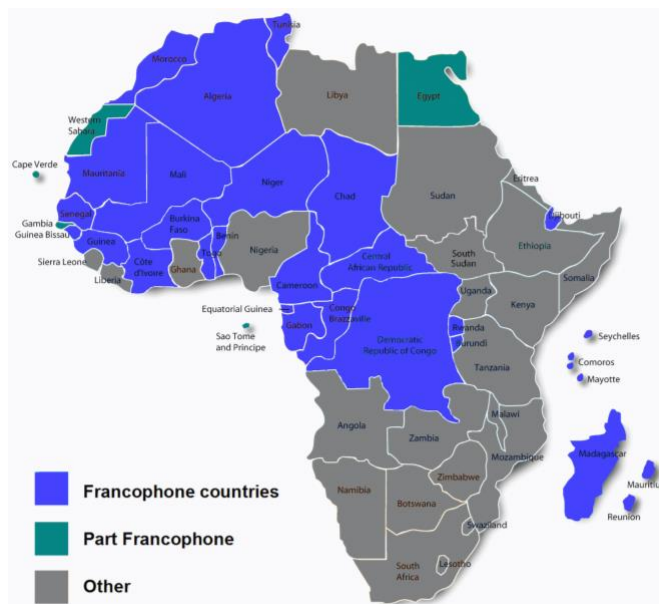
Source: Research Gate. 2009. Map of SADC Countries. Accessed September 10.  
[https://www.researchgate.net/Appendix/Map-of-SADC-countries-Source-SADC-2009\\_fig1\\_310491656](https://www.researchgate.net/Appendix/Map-of-SADC-countries-Source-SADC-2009_fig1_310491656)

## Appendix 9. Presence of the Castel group throughout the world



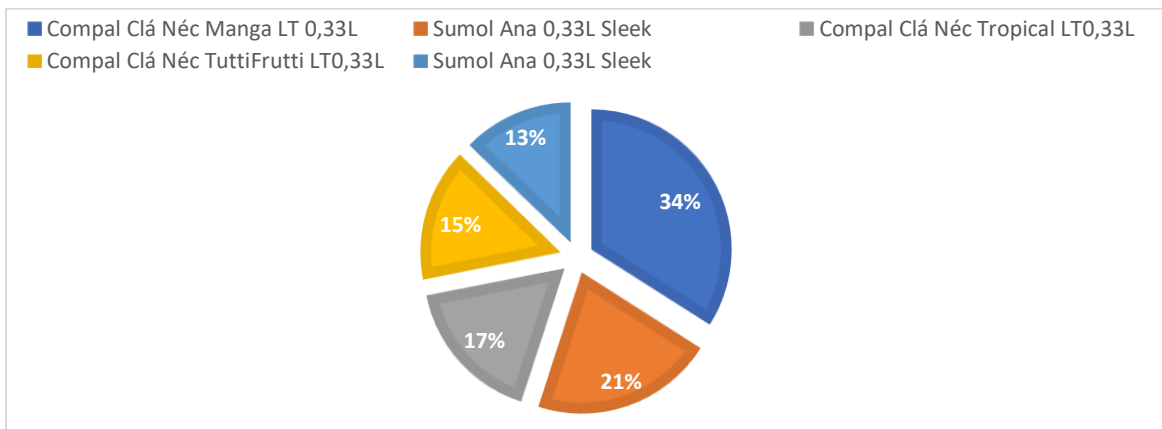
Source: Group Castel. 2011. Group Description. Accessed September 18 <http://www.groupe-castel.com/en/group/Appendix/>

## Appendix 10. Countries that belong to Francophone Africa



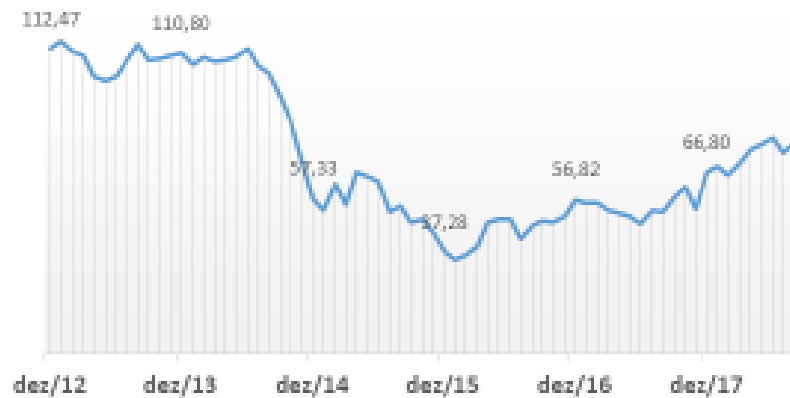
Source: SAP. 2017. Frédéric Alran Appointed SAP Francophone Africa. Accessed October 2. <https://news.sap.com/africa/2017/03/frederic-alran-appointed-sap-francophone-africa-md/>

## Appendix 11. Most sold products in Angola in 2017



Source: SUMOL+COMPAL Internal Information

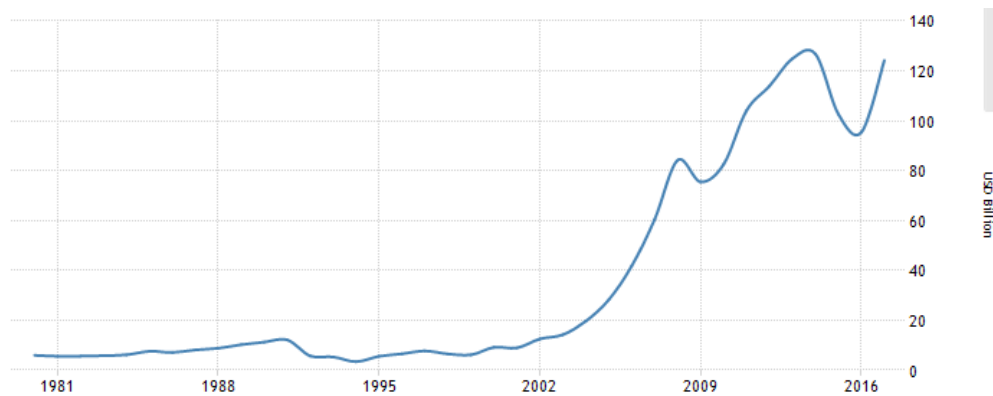
## Appendix 12. Crude Oil Prices \$/B



Source: Trading Economics. 2018. Crude Oil. Accessed October 4.  
<https://tradingeconomics.com/commodity/crude-oil>

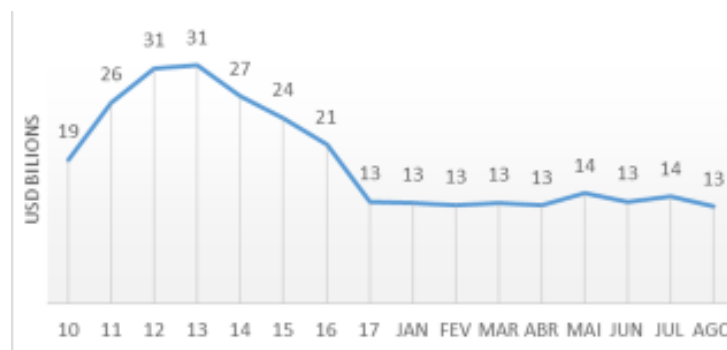


### Appendix 13. Evolution of Angola GDP



Source: Trading Economics. 2018. Angola GDP. Accessed October 4.  
<https://tradingeconomics.com/angola/gdp>

### Appendix 14. Foreign Currency Reserves



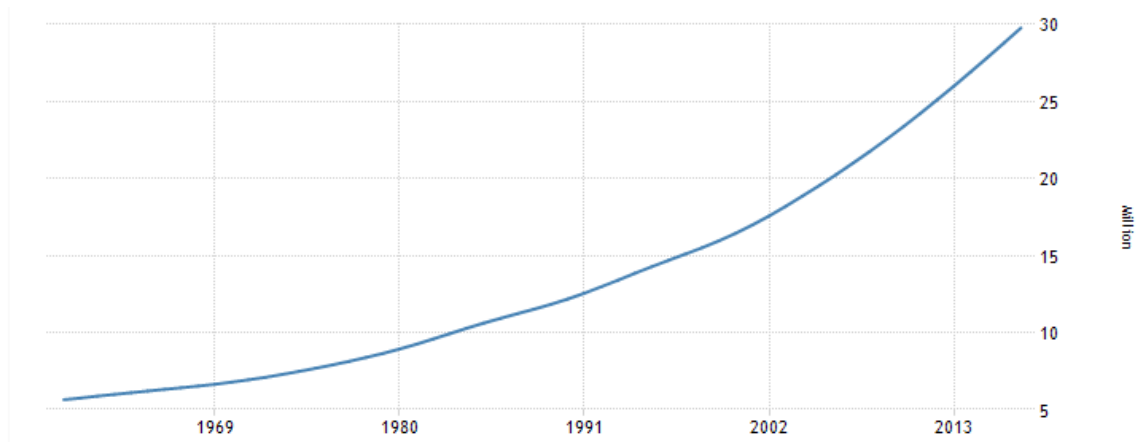
Source: Trading Economics. 2018. Angola Foreign Currency Reserves. Accessed October 4.  
<https://tradingeconomics.com/angola/foreign-exchange-reserves>

### Appendix 15. Angola's Foreign Direct Investment



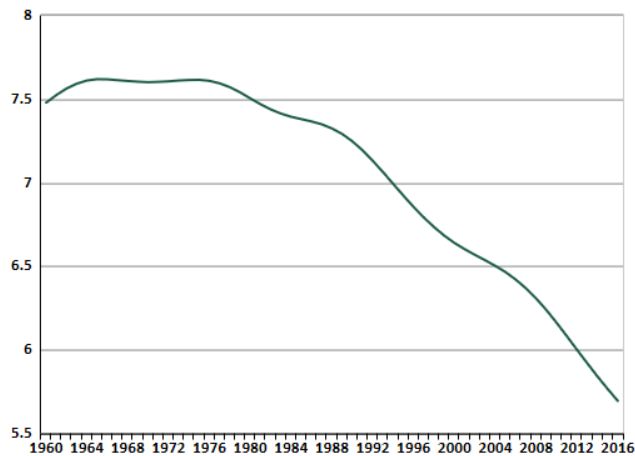
Source: Trading Economics. 2018. Angola Foreign Direct Investment. Accessed October 4.  
<https://tradingeconomics.com/angola/foreign-direct-investment>

## Appendix 16. *Angola's Population*



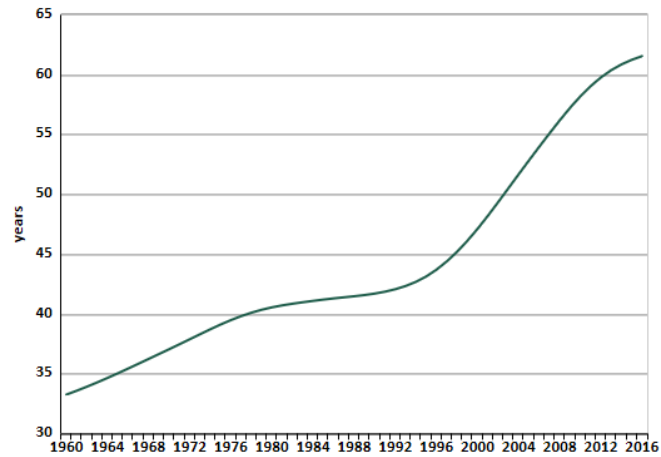
Source: Trading Economics. 2018. Angola Population. Accessed October 6.  
<https://tradingeconomics.com/angola/population>

## Appendix 17. Fertility Rate in Angola



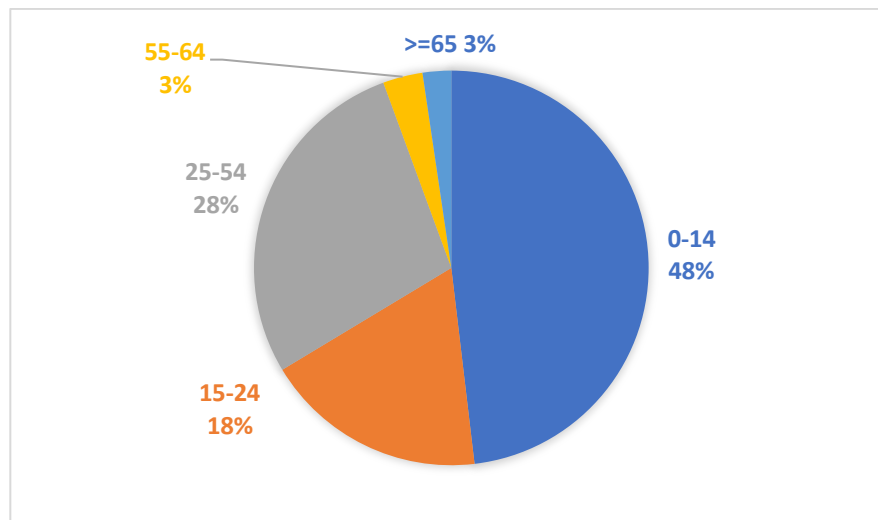
Source: Knoema. 2017. Angola Fertility Rate. Accessed October 6.  
<http://pt.knoema.com/atlas/Angola/Taxa-de-Fertilidade>

## Appendix 18. Life Expectancy in Angola



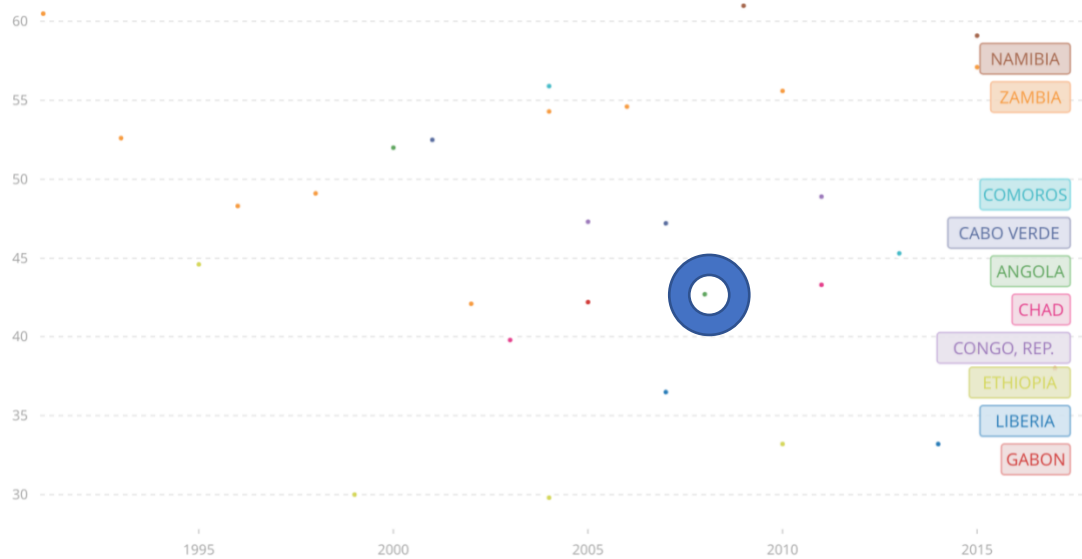
Source: Knoema. 2017. Angola Life Expectancy. Accessed October 6.  
<https://knoema.com/atlas/Angola/Life-expectancy>

## Appendix 19. Angolan Population Age Stratification



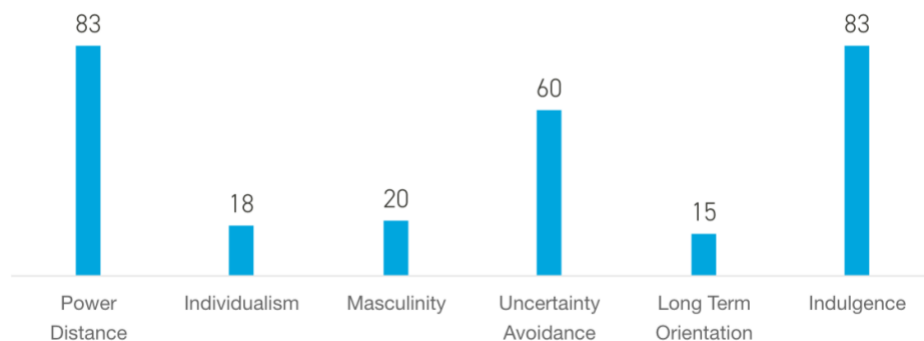
Source: IndexMundi. 2018. Angola Demographics Profile 2018. Accessed October 8.  
[https://www.indexmundi.com/angola/demographics\\_profile.html](https://www.indexmundi.com/angola/demographics_profile.html)

## Appendix 20. Gini Index for Angola



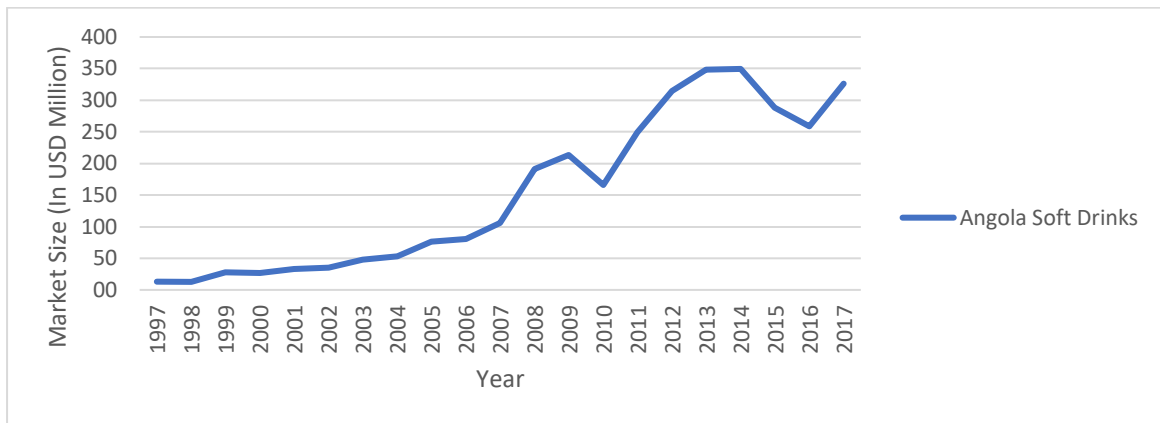
Source: World Bank Group. 2018. GINI Index. Accessed October 11.  
<https://data.worldbank.org/indicator/SI.POV.GINI?end=2017&locations=LR-AO-CV-TD-KM-CG-ET-GA-NA-ZM&start=1991&view=chart>

## Appendix 21. Hofstede Index for Angola



Source: Hofstede Insights. 2019. What About Angola? Accessed October 11.  
<https://www.hofstede-insights.com/country/angola/>

## Appendix 22. Angola Soft Drinks Consumption



Source: Passport

## Appendix 23. Plastic Bag with Ice Inside



Source: SUMOL+COMPAL Internal Information

#### Appendix 24. Coca Cola products available in Angola



Source: Grupo Castel. 2019. Refrigerantes: Coca-Cola. Accessed October 17. <http://grupocastelangola.com/categoria-produto/refrigerantes/coca-cola/>

#### Appendix 25. Castel Portfolio in Angola



Source: Grupo Castel. 2019. Marcas. Accessed October 17. <http://grupocastelangola.com/marcas/>

## Appendix 26. Refriango Portfolio in Angola



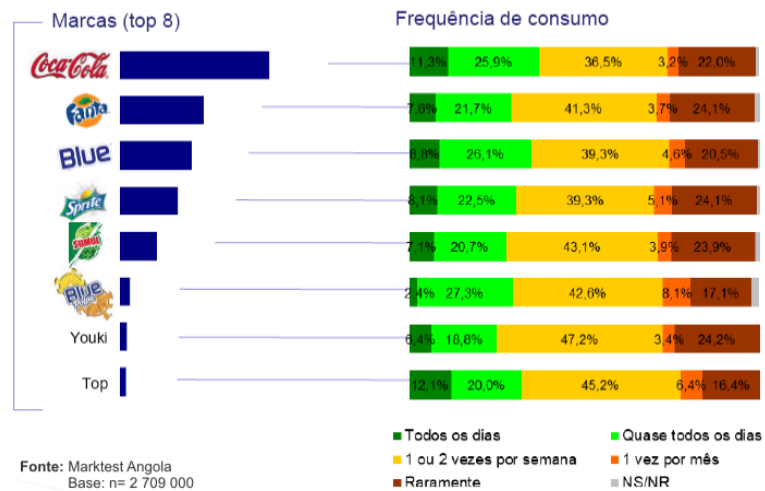
Source: Refriango. 2019. Marcas. Accessed October 18. <http://refriango.com/marcas/>

## Appendix 27. Summary Table with the biggest companies in the different market niches

| COMPANY//SEGMENT | SOFT DRINKS   | JUICES/NECTARS | BOTTLED WATER    |
|------------------|---------------|----------------|------------------|
| CASTEL           | Coca Cola     | -              | -                |
|                  | Fanta         | -              | -                |
|                  | Sprite        | -              | -                |
|                  | Youki         | -              | -                |
|                  | Vimto         | -              | -                |
|                  | TOP           | -              | -                |
| SUMOL+COMPAL     | Sumol         | Congo          | Serra da Estrela |
|                  | -             | Um Bongo       | -                |
| REFRIANGO        | American Cola | Tutti          | Pura             |
|                  | Blue          | Nutry          | -                |
|                  | Red Cola      | Super Cuia     | -                |
| GRUPO HUMBERTICO | -             | -              | Aquacita         |
| PURANGOLA        | -             | -              | Perla            |

Source: Several sources, market compilation

## Appendix 28. Most consumed drinks in Angola



Source: Marktest. 2019. Coca-Cola é o refrigerante preferido dos angolanos. Accessed October 22. <https://www.marktest.com/wap/a/n/id~2319.aspx>

## Appendix 29. *Compal em Lata* – Canned Compal



Source: SUMOL+COMPAL Internal Information



### Appendix 30. Impact of *Compal em Lata* in number of litres sold



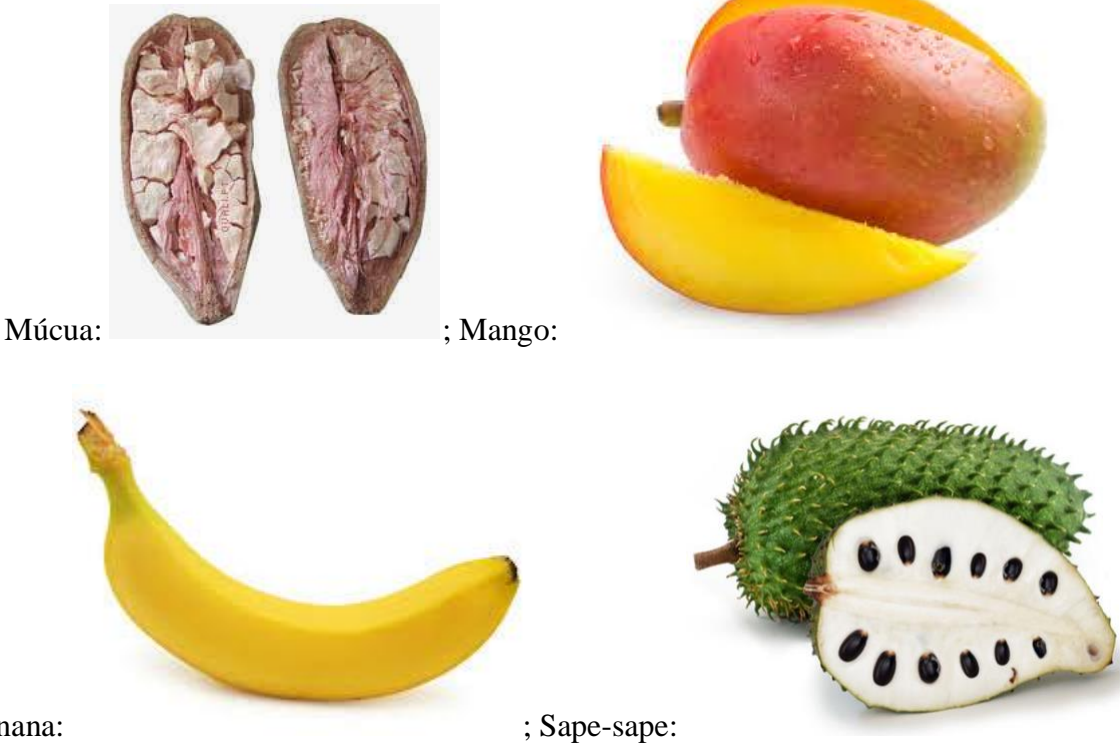
Source: SUMOL+COMPAL Internal Information

### Appendix 31. *Compal da Terra*

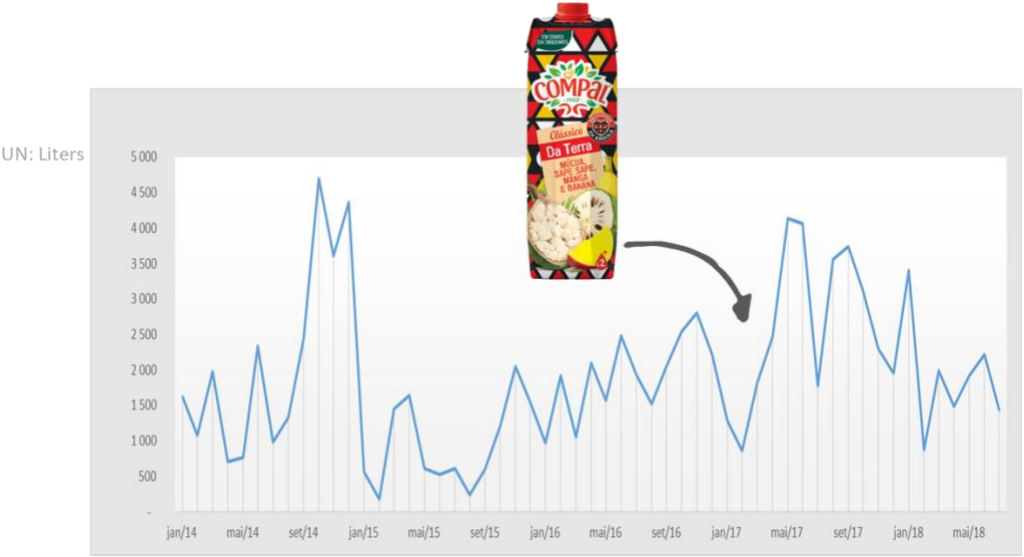


Source: SUMOL+COMPAL Internal Information

**Appendix 32.** Fruits included in Compal da Terra



**Appendix 33.** Impact of *Compal da Terra* in number of litres sold.



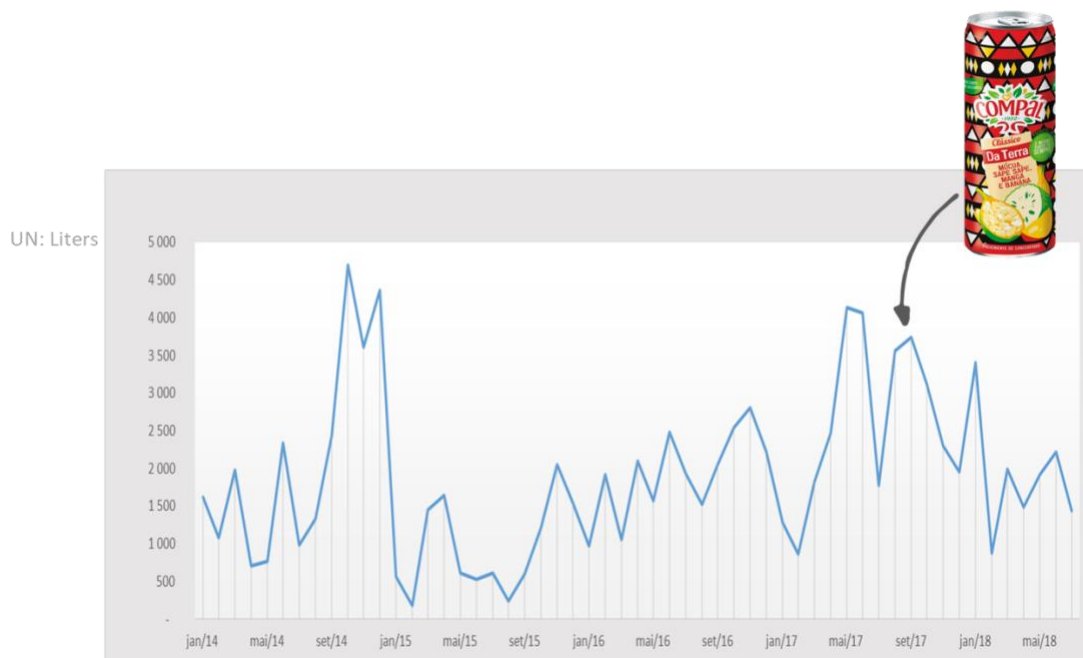
Source: SUMOL+COMPAL Internal Information

### Appendix 34. Canned Compal da Terra



Source: SUMOL+COMPAL Internal Information

### Appendix 35. Impact of Canned *Compal da Terra* in number of litres sold.



Source: SUMOL+COMPAL Internal Information

### Appendix 36. *Compal Kissangua da Banda*



Source: SUMOL+COMPAL Internal Information

### Appendix 37. *Comparison of packaging materials price levels*



Source: SUMOL+COMPAL Internal Information

### Appendix 38. *Variation with the entrance of PET and Glass bottles*



Source: SUMOL+COMPAL Internal Information

### **Appendix 39. Múcua Fruit**



Source: Selos de Fruta. 2014. Fruto Múcua. Accessed November 14.  
<http://selosdefruta.blogspot.com/2014/02/fruto-mucua.html>

### **Appendix 40. Tutti Múcua**



Source: RIA.2012. Nutry Tutti – Mucua. Accessed November 15.  
<http://www.ria.fr/article/refriango-lda-nutry-tutti-mucua-1,2,85318642.html>

#### Appendix 41. Pura Sport by Refriango



Source: Rasgo. 2013. Pura Sport Angola. Accessed November 12.  
<http://www.rasgo.pt/portfolio/criamos/pura-sport-angola.aspx>

#### Appendix 42. Map of Angola and surrounding countries



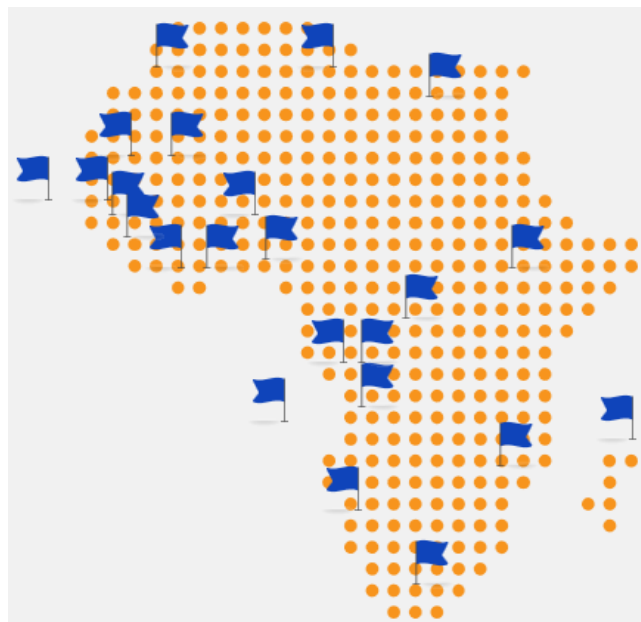
Source: Voanews. 2017. Angola Map. Accessed November 13. <https://www.voanews.com/a/reu-angola-joins-global-chemical-weapons-body/2972723.html>

**Appendix 43.** Table with the evaluation of the potential of each of the surrounding countries.

| Country    | Population | Consumption Rate |
|------------|------------|------------------|
| Dem. Congo | 85 079 072 | 13,40%           |
| Namibia    | 2 609 254  | 0,60%            |
| Zambia     | 18 817 703 | 5,80%            |

Source: Several sources, market analysis

**Appendix 44.** List of markets where SUMOL+COMPAL is present in Angola



Source: SUMOL+COMPAL Website



**Appendix 45.** List of the most consumed beverages in Congo

| Drink                      | Ingredients                                      |
|----------------------------|--------------------------------------------------|
| <b>Cardamom Tea</b>        | Water, Cardamom, Black Tea, Milk, Honey or Sugar |
| <b>Chai</b>                | Water, Milk, Black Tea, Cardamom, Ginger, Sugar  |
| <b>Coconut Juice</b>       | Coconut, Water, Sugar                            |
| <b>Ginger Beer</b>         | Ginger roots, Limes, Sugar, Cinnamon             |
| <b>Green Tea with Mint</b> | Green Tea, Water, Mint, Sugar                    |
| <b>Jus de Bissap</b>       | Hibiscus, Sugar, Pineapple Juice                 |
| <b>Kahawa</b>              | Coffee, Cardamom Seeds                           |
| <b>Maziwa</b>              | Milk                                             |
| <b>Pombe</b>               | Traditional Beer and Wine                        |
| <b>Tamarind Drink</b>      | Tamarind, Honey or Sugar, Water                  |
| <b>Water</b>               | Plain Water                                      |
| <b>Lotoko</b>              | Banana                                           |
| <b>Vitalo</b>              | Pomegranate Juice                                |

Sources: Several sources, market analysis

**Appendix 46.** Crosscheck (made with colours) between beverages of Dem. Congo and available fruits in Angola.

| Drink               | Ingredients                                      | Angolan Fruits |
|---------------------|--------------------------------------------------|----------------|
| Cardamom Tea        | Water, Cardamom, Black Tea, Milk, Honey or Sugar | Mango          |
| Chai                | Water, Milk, Black Tea, Cardamom, Ginger, Sugar  | Banana         |
| Coconut Juice       | Coconut, Water, Sugar                            | Múcuá          |
| Ginger Beer         | Ginger roots, Limes, Sugar, Cinnamon             | Sape sape      |
| Green Tea with Mint | Green Tea, Water, Mint, Sugar                    | Pineapple      |
| Jus de Bissap       | Hibiscus, Sugar, Pineapple Juice                 | Avocado        |
| Kahawa              | Coffee, Cardamom Seeds                           | Pomegranate    |
| Maziwa              | Milk                                             | Passion Fruit  |
| Pombe               | Traditional Beer and Wine                        | Coconut        |
| Tamarind Drink      | Tamarind, Honey or Sugar, Water                  | Guava          |
| Water               | Plain Water                                      | Watermelon     |
| Lotoko              | Made from Banana                                 |                |
| Vitalo              | Pomegranate Juice                                |                |

Source: Several sources, market analysis